



**STATE OF DELAWARE
OFFICE OF THE GOVERNOR**

TO:

FROM: John C. Carney
Governor

DATE: June 30, 2017

SUBJECT: Legislation for continuation of state government operations for the next 72 hours

It is of the utmost importance to continue the operations of state government during this period in which the General Assembly continues to craft a FY 2018 spending plan. As this process unfolds over the next several hours it is important to understand the critical deadlines that our agencies face in order to ensure timely remittances to state employees, non-profit partners and vendors providing goods and services to state agencies.

Over the course of the next several days, the following critical deadlines must be met:

- July 1 – Payroll processing for the July 7 paycheck commences.
- July 3
 - Absolute deadline for authorization of funding the July 7 payroll (for time worked during the period of June 11 – June 24).
 - FY 2017 year end close out scheduled by the Division of Accounting.
- July 7 – Funds are wire transferred from state accounts to cover the July 7 payroll.
- July 10 – The state's accounting system opens to process FY 2018 expenditures.

I urge you to pass this legislation to provide for the temporary continuation of state government operations in lieu of the enactment of an operating budget. The legislation will ensure Delaware avoids a government shutdown and enable Delawareans to continue to receive core state government services.

I will issue a proclamation shortly to call the General Assembly back to session at 1:00 PM on Sunday, July 2. It is my intention to call the General Assembly into session each day until a budget is enacted into law.

The various sections of the legislation are as follows:

- Section 1 of this legislation authorizes state agencies to continue operations in the same manner as under the FY 2017 budget.
- Section 2 provides a mechanism for the OMB Director and Controller General to authorize the State Treasurer to make critical payments. Examples of these would include payment of the July 7 payroll, payments to the Medicaid managed care organizations, payments to the Group Health Insurance Plan vendors and payroll taxes to the federal government.

- Section 3 authorizes the continuance of all appropriations contained within the FY 2017 operating budget, bond and capital improvements act and grants in aid.
- Section 4 provides that this legislation is effective until either the enactment of the FY 2018 operating budget or a date certain in July, whichever is earliest. We would recommend that at a minimum this date be set at July 5.
- Section 5 continues epilogue provisions contained in the FY 2017 operating budget.
- Section 6 and Section 7 are standard language regarding inconsistency with any other provision of law and separation should any provision be held to be invalid.

OMB Director Mike Jackson and members of my staff are available to address any questions you may have regarding this legislation.